

822 HARDING STREET
P.O. BOX 52008

LAFAYETTE, LOUISIANA 70505-2008

TELEPHONE (337) 232-7424

FACSIMILE (337) 267-2399

Richard W. Revels, Jr. rwrevels@liskow.com

May 5, 2006

Honorable James H. Welsh Commissioner of Conservation Office of Conservation P. O. Box 94275 Baton Rouge, LA 70804-4275

Re: Marg Howei Sand, Reservoir G
Lower Marg Howei Zone, Reservoir A
KAPLAN FIELD
Vermilion Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **EL PASO PRODUCTION COMPANY** for the calling of public hearings, after legal notice, to consider evidence relative to the issuance of orders pertaining to the following matters:

## Marg Howei Sand, Reservoir G

- 1. To establish rules and regulations and to create a single drilling and production unit for the exploration for and production of gas and condensate from the Marg Howei Sand, Reservoir G, in the Kaplan Field, Vermilion Parish, Louisiana, said unit to be designated MARG H RG SUA, as shown on the plat attached hereto and made a part hereof.
- 2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit with each tract sharing in unit production on a surface acreage basis of participation.
- 3. To provide that any future wells drilled to the Marg Howei Sand, Reservoir G, should be located in accordance with the provisions of LAC 43:XIX.1901 et seq. (Statewide Order No. 29-E).
- 4. To provide that the Commissioner of Conservation should be authorized to reclassify the reservoir by supplemental order without the necessity of a public hearing should the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.

5. To consider such others matters as may be pertinent.

The Marg Howei Sand, in the Kaplan Field, Vermilion Parish, Louisiana, was previously defined in Office of Conservation Order No. 557-D-7, effective July 17, 2001.

## Lower Marg Howei Zone, Reservoir A

- 1. To establish rules and regulations and to create a single drilling and production unit for the exploration for and production of gas and condensate from the Lower Marg Howei Zone, Reservoir A, in the Kaplan Field, Vermilion Parish, Louisiana, said unit to be designated L MARG H RA SUA, as shown on the plat attached hereto and made a part hereof.
- 2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit with each tract sharing in unit production on a surface acreage basis of participation.
- 3. To provide that any future wells drilled to the Lower Marg Howei Zone, Reservoir A, should be located in accordance with the provisions of LAC 43:XIX.1901 et seq. (Statewide Order No. 29-E).
- 4. To provide that the Commissioner of Conservation should be authorized to reclassify the reservoir by supplemental order without the necessity of a public hearing should the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.
  - 5. To consider such others matters as may be pertinent.

The Lower Marg Howei Zone, Reservoir A, in the Kaplan Field, is hereby defined as being that gas and condensate bearing zone encountered between the depths of 15,104 feet and 15,250 feet (electrical log measurements) in the Mobil – D. R. Hebert No. 2 Well located in Section 11, Township 12 South, Range 1 East, Vermilion Parish, Louisiana.

Pertinent data, including well logs, may be obtained **AT THE COST OF THE REQUESTING PARTY** from Louis Gilbert & Associates, 3636 North Causeway Blvd., Suite 204, Metairie, LA 70002, Telephone Number (504) 834-8112.

Pursuant to the Rules of Procedure, a pre-application conference was held in Lafayette, Louisiana on April 27, 2006, at which the parties named on the attached list were in attendance. The conference was opened by representatives of the applicant who explained the bases for the proposed units. Questions were asked and answered. One counterplan was presented regarding the proposed L MARG H RA SUA extending the unit to the southwest. After some discussion, the conference was adjourned without resolution of differences. Opposition at the hearing is possible.

Attached hereto and made a part hereof are plats, the conference attendance list, and the list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom a copy of this application is being mailed. Pursuant to the Revised Rules of Procedure, the list of parties is being furnished only to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation; however, the list of parties will be furnished to any party requesting copies. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed is our check in the amount of \$1,510.00 made payable to the Office of Conservation submitted on behalf of the applicant representing the hearing application fee.

Very truly yours,

RWRjr/dbf Attachments 166574\_1 23480.0094

cc:

Mr. Richard Hudson, Lafayette District Office of Conservation

cc: Interested Owners, Represented Parties and Interested Parties



